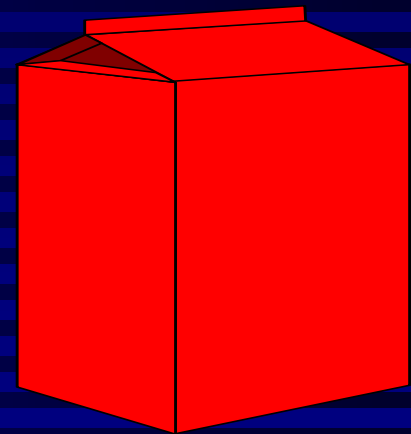
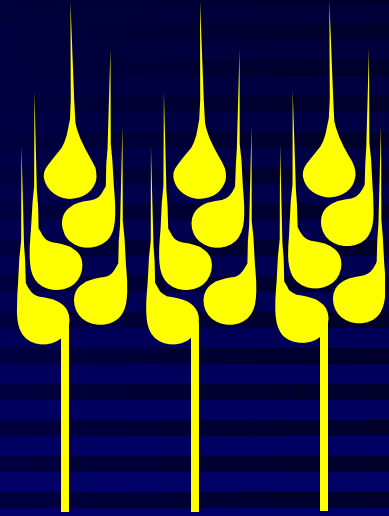
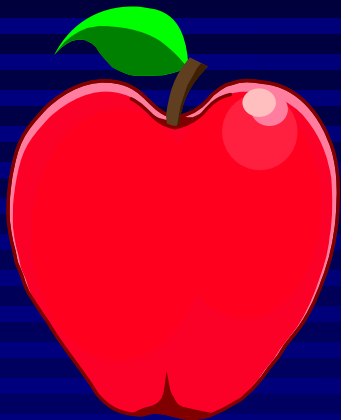


School Food Service 101



School Nutrition Programs

- Through the Years
- Funding Mechanisms
- Essential Elements



Through the Years

- 1932 Commodities Purchased for School Meals
- 1946 National School Lunch Program
- 1954 Special Milk Program
- 1962 Section 11 Funding for free/reduced meals

Through the Years

- 1966 School Breakfast Program
Non-Food Equipment Assistance
Special Milk Program
Non-discrimination against needy children
- 1968 Child Care Food Program
Summer Food Service Program

Through the Years

- 1970 Free/Reduced Meals Expanded
- 1977 NET Program
- 1980 Dietary Guidelines for Americans
- 1981 Omnibus Budget Reconciliation Act cuts Child Nutrition funding

Through the Years

- 1985 2nd Edition of Dietary Guidelines
- 1989 NFSMI
- 1990 3rd Edition of Dietary Guidelines
- 1994 P.L. 103-448 reauthorizes programs and requires that school lunches meet the DGA by July 1, 1996

Through the Years

- 1995 4th Edition - Dietary Guidelines
- 1995 February 23 - House Committee Votes Repeal of All Child Nutrition Programs
- 1996 January 9 - President vetoes HR 4, the “Personal Responsibility and Work Opportunity Act of 1995.”

The bill contains a 7 state pilot project that would block grant the school nutrition programs.

Through the Years

- 1996 May 29, President Clinton signs P.L. 104-149, the “Healthy Meals for Children Act” giving schools increased flexibility in meal planning
- 1996 August 22, President Clinton signs P.L. 104-193, the “Personal Responsibility Reconciliation Act”- no block grants are in the bill

Through the Years

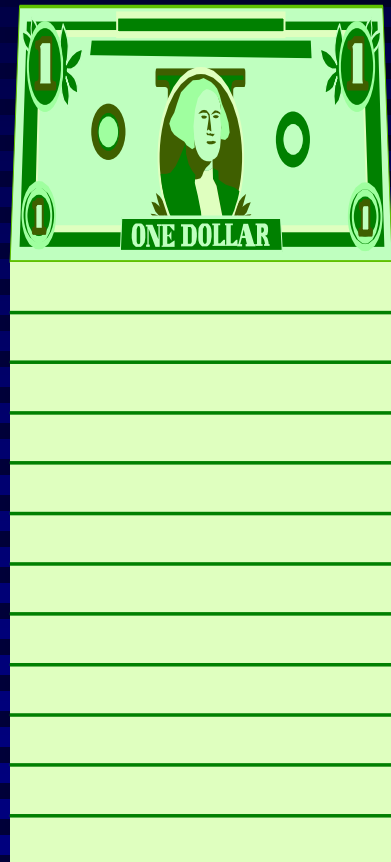
- **1998** President Clinton signs the reauthorization act of 1998: P.L. 105-336. It provides for an after school hours snack program. However; it also “rounds down” reimbursement for free and reduced price meals to pay for the snack program.
- **1999** The agriculture appropriation contains \$7 million for a research project involving the SBP.
- **2000** The budget contains an additional \$6 million to continue the SBP research project.

Funding Structure

■ Definitions

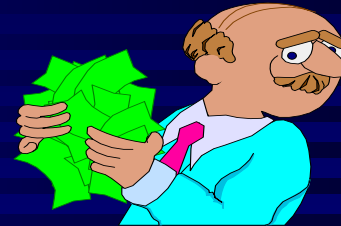
■ Funding Mechanisms

- * Section 4 - General Assistance
- * Section 11 - Special Assistance
- * Section 32
 - State Revenue Matching
 - Student/Adult/Other Payments
- * State Administrative Expense
 - Maintenance of Effort



Definitions

- **“Entitlement Funding”**: in the case of the National School Lunch Program, schools are entitled, by law, to a fixed federal reimbursement for each meal served that meets the meal pattern and other standards.



- **“Block Grant Funding”**: in the case of the National School Lunch Program, states are given a fixed amount of money by the federal government each year and are expected to run programs with that amount of money, regardless of any external circumstances.

Section 4/General Assistance Funds

Definition: Per lunch payment to schools, given without regard for the income of the child, SY 05-06 \$.22 for “paid lunch”, \$.22 for free/reduced price lunch; add \$.02 for “safety net” lunch (60% f/r in second preceding year)

Why Section 4?

- Section 4 payments are not transfer payments to students, but are grants-in-aid to schools.
- To entice schools to participate in the NSLP.
- Keep the meal price, the single most important factor in determining participation, within the reach of students from middle class families.

Section 11/Special Assistance Funds

Definition: Authorized in 1962, first appropriated in 1966, special assistance funds were provided to schools with large numbers of low income students.

Why Section 11?

- Encourage schools with large numbers of low income students to participate in the NSLP.
- In 1970, the law was amended to allow any school serving lunches to low income students to receive Section 11 funds.
- In 1972, guaranteed rates for free/reduced price lunches were set.

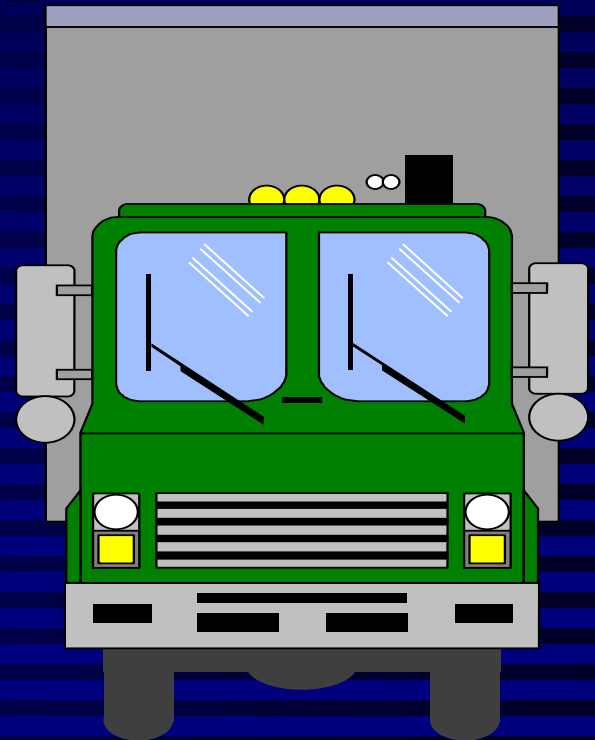
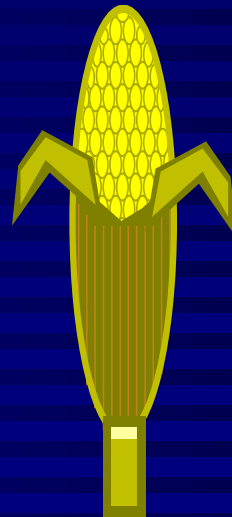
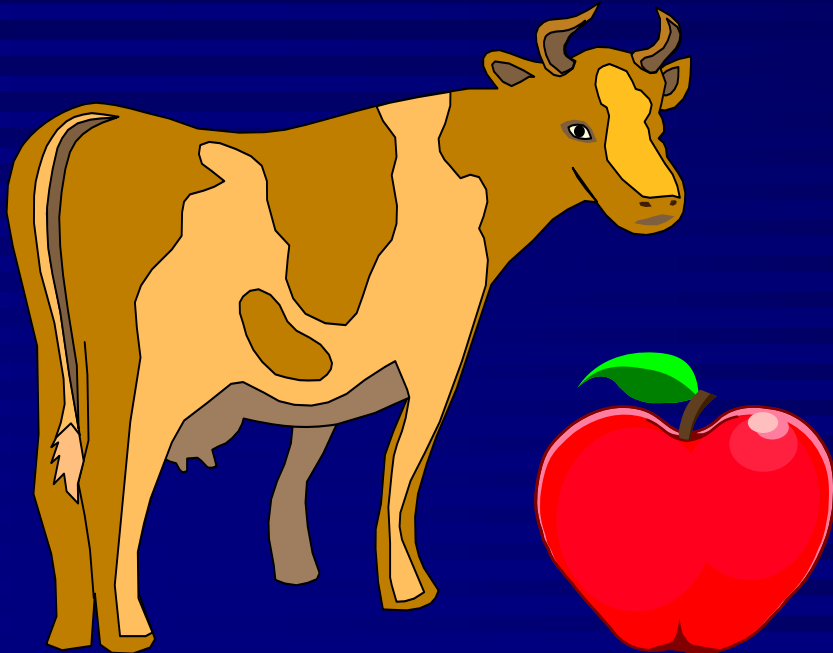
Section 32 Funds

Definition: Section 32 of the Agricultural Adjustment Act of 1935, P.L. 74-320, diverted 30% of gross customs receipts to the Secretary of Agriculture to be used to reduce agricultural surpluses, encourage domestic consumption and divert commodities from normal channels of trade.

- From 1936 to 1944, commodities purchased under this authority were the mainstay of local efforts to provide meals at school.
- The law was later amended to allow Section 32 funds to cover the cost of operation of school lunch programs. As an example, for fiscal year 2002, \$5.0 billion of the \$9.5 billion cost of the CNP comes from Section 32.

Commodities

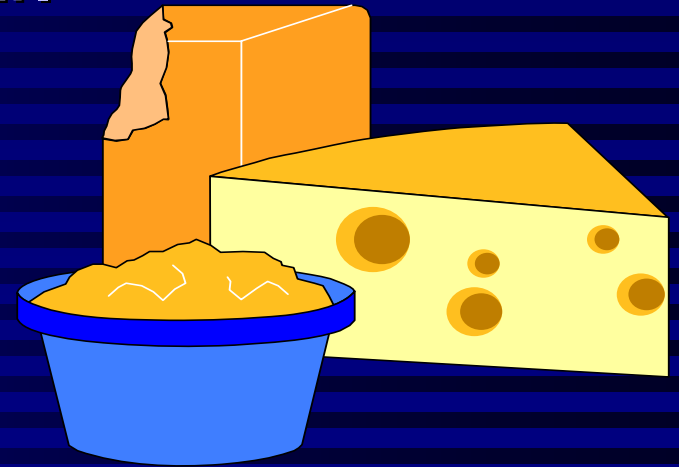
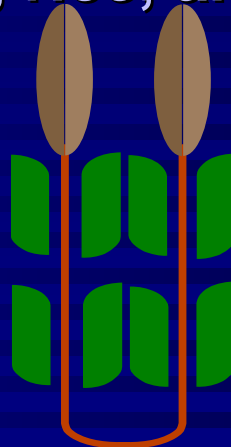
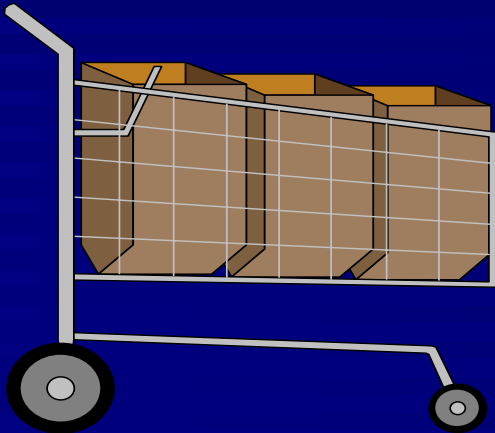
“Entitlement Commodities”: Those purchased by USDA to reduce agricultural surpluses and to meet the per lunch commodity reimbursement rate guaranteed by law. They are purchased with Section 32 funds and generally include such items as fresh/canned fruits/vegetables, frozen/canned meats, and canned fish.



Commodities

“Bonus Commodities”: Those offered to meal service programs in addition to those required to meet the commodity entitlement. These may be Section 32 types of commodities purchased by USDA to meet unexpected surplus removal needs, or they may be price support commodities held and otherwise uncommitted for use by the Commodity Credit Corporation (CCC).

“Bonus” items have included such items as cheese, butter, nonfat dry milk, honey, rice, and flour.



State Administrative Expense Funds

Definition: Authorized in 1966, SAE funds are federal funds provided to states for the purpose of administration of the Child Nutrition Programs.

SAE funds are to be used for:

- Training
- Technical Assistance
- Monitoring



Allotment of SAE funds to States

- 1% of Section 4 and 11 funds brought into the state during the second preceding year.
- 1% of SMP and SBP funds brought into the state during the second preceding year.
- For administering the CACFP: \$30,000 plus 20% of the first \$50,000 of reimbursement, 10% of the next \$100,000, 5% of the next \$250,000 and 2 and 1/2% of the remainder.
- For administering the SFSP: 20% of the first \$50,000, 10% of the next \$100,000, 5% of the next \$250,000, and 2 and 1/2% of the remainder.
- For CRE: an amount based on a formula that no one really understands - much like CRE!

Essential Elements

National commitment to improve the nutritional status of all children by providing school nutrition programs that are:

- **Available to all children**
- **Performance funded**
- **Flexible**
- **Built on solid Nutrition Standards**
- **Education-based**

Available to All Children

- **All schools - public, private, parochial - may participate in the program**
- **Program funding is structured in such a way as to encourage participation by all schools**
- **Program rules forbid discrimination**

Performance Funded

- Schools receive funding (reimbursement) based on participation by students - this creates an incentive to operate responsive, innovative programs
- State agencies receive funding based on reimbursement received by schools, creating an incentive for state agencies to assist schools

Flexible

- Program structure responds to changes in local enrollment
- Program structure responds to changes in local economies
- Program structure responds to changes in agricultural economy

Built on Solid Nutrition Standards

- **Breakfast provides 1/4 of the RDA**
- **Lunch provides 1/3 of the RDA**
- **July 1, 1996, meals meet the Dietary Guidelines for Americans**

Education-based

- **The School Nutrition Programs are recognized as an integral part of the educational process, providing fuel for physical and mental development**
- **Program operators assist in providing nutrition education opportunities to students**
- **School meals are planned and prepared in conjunction with what is taught in the classroom**

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